

GOVERNMENT OF THE DISTRICT OF COLUMBIA
OFFICE OF THE INSPECTOR GENERAL



Inspector General

May 23, 2002

The Honorable Anthony A. Williams
Mayor
District of Columbia
John A. Wilson Building
1350 Pennsylvania Avenue, N.W., 6th Floor
Washington, D.C. 20004

RE: SIGNIFICANT ACTIVITY REPORT

Dear Mayor Williams:

This letter is to inform you about the recent indictment of a District employee who was the subject of a joint investigation by the Federal Bureau of Investigation (FBI) and the District of Columbia Office of the Inspector General (OIG).

On May 3, 2002, Terence Coles, an attorney in the Office of Corporation Counsel, was indicted by a federal grand jury on charges of Conspiracy, Fraud, Bribery, and Receiving Stolen Property, as a result of a scheme to defraud the District of Columbia's Escheated Estates Fund (EEF) of \$20,000. Between September 2000 and May 9, 2001, Mr. Coles was employed as the Special Assistant to the Secretary of the District of Columbia and was responsible for administering the EEF, which was created to provide grants to non-profit organizations for the benefit of low-income residents of the District of Columbia.

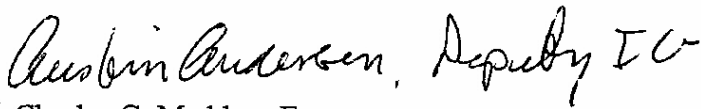
During the referenced time period, Mr. Coles allegedly used his position to award two \$10,000 grants to an unindicted co-conspirator who has already entered a guilty plea to Fraud in the First Degree. The co-conspirator submitted two applications to the EEF for fictitious non-profit groups identified as The Next Step and The Wonder Years. For his role in processing the applications and recommending their approval, Mr. Coles allegedly received one-half of the award from the first application and forty percent of the award for the second application. It was further alleged that Mr. Coles knew that the applications were fraudulent and received approximately \$7,500 in cash from the co-conspirator.


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Mr. Coles will be arraigned in the next few weeks; trial will probably be scheduled for late summer or early fall.

Enclosed are copies of the Press Release from the U.S. Attorney's Office and a **Washington Post** article referencing the indictment. If you need any additional information, please call me or David M. Bowie, Assistant Inspector General for Investigations, on (202) 727-2540.

Sincerely,

A handwritten signature in cursive script that reads "Charles C. Maddox, Esq." followed by a stylized flourish.

 Charles C. Maddox, Esq.
Inspector General

CCM/sc

Enclosures

cc: All District of Columbia Councilmembers